

**UNITED STATES DISTRICT COURT
DISTRICT OF MASSACHUSETTS**

NEW ENGLAND CARPENTERS HEALTH)	
BENEFITS FUND, PIRELLIARMSTRONG)	
RETIREE MEDICAL BENEFITS TRUST,)	
TEAMSTERS HEALTH & WELFARE FUND)	Case No. 1:05-CV-11148-PBS
OF PHILADELPHIA AND VICINITY, and)	
PHILADELPHIA FEDERATION OF)	Honorable Patti B. Saris
TEACHERS HEALTH AND WELFARE FUND,)	
)	
Plaintiffs,)	
)	
v.)	
)	
FIRST DATABANK, INC., a Missouri)	
Corporation; and McKESSON CORPORATION,)	
A Delaware Corporation,)	
)	
Defendants.)	
)	

DECLARATION OF WILLIAM J. EINHORN

I, William J. Einhorn, hereby declare as follows:

1. I am the Administrator of Teamsters Health & Welfare Fund of Philadelphia and Vicinity (“THWF”). I have been the Administrator since February 1995. I have been deposed in this litigation.

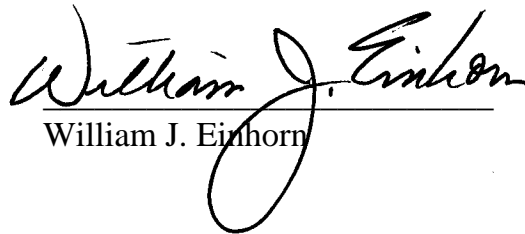
2. THWF provides health benefits, including prescription drug benefits, to approximately 25,500 persons. These persons are overwhelmingly Teamsters union members and their families living in Pennsylvania, New Jersey, Delaware and northern Maryland. In 2005 THWF spent in excess of \$16 million for prescription drug benefits.

3. THWF was unaware of the scheme by which McKesson and First Data Bank (“FDB”) conspired, beginning in 2002, to artificially increase the WAC-AWP ratio from 20% to 25% on hundreds of brand name drugs. Apparently this increase did not reflect any change in the actual price of the drugs, but was done solely to benefit McKesson and FDB. THWF first became aware of this scheme when it was brought to our attention by counsel in 2005.
4. While THWF was aware of an increase in overall expenditures for prescription drugs, we were unaware of an increase in the WAC-AWP ratio in 2002. THWF did not have access to the FDB database that reflects FDB’s published AWP prices.
5. From 2002 through August 2005 THWF’s pharmacy benefit manager was General Prescription Programs (“GPP”). Our arrangement with GPP was that we were billed at whatever price GPP paid its member pharmacies for prescription drugs. GPP negotiated prices on brand name drugs by using percentage discounts from AWP. Thus THWF had no set discount off AWP. However from 2002 through August 2005 the effective average discount from AWP that THWF realized was between 15.5 and 16.5 percent below AWP for brand name drugs.
6. As THWF was not aware of the McKesson and FDB scheme, we did not discuss the 5% AWP inflation with GPP, or anyone else.
7. If THWF or I had known of the scheme we certainly would have tried to eliminate the entire increase, probably by insisting on larger discounts from AWP.

8. As a result of the increase in the AWP by virtue of the scheme, THWF paid more for the certain drugs than it would have if the scheme not been implemented.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

March 15, 2007



William J. Einhorn

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the above document was served upon the attorney of record for each other party through the Court's electronic filing service on March 19, 2007.

/s/ Steve W. Berman
Steve W. Berman